

RESOLUTION NO. 126-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND DIRECTING STAFF TO PREPARE PROCEEDINGS IN CONNECTION WITH THE ISSUANCE BY THE RICHMOND JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED \$14,000,000 OF ITS SUBORDINATE MULTIFAMILY HOUSING REVENUE BONDS (WESTRIDGE AT HILLTOP APARTMENTS), SERIES 2006 AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the Affordable Housing Agency (“AHA”) issued its Subordinate Multifamily Housing Revenue Bonds (Westridge at Hilltop Apartments) 2003 Series A-S (the “Prior Bonds”) to finance a portion of the cost of the acquisition by RHA Properties (“RHAP”), a joint powers authority formed by the Richmond Housing Authority (“RHA”) and the City, of an apartment complex known as “Westridge at Hilltop Apartments” (the “Project”); and

WHEREAS, the Prior Bonds are secured on a subordinate basis to AHA’s Variable Rate Demand Multifamily Housing Revenue Bonds (Westridge at Hilltop Apartments) 2003 Series A (the “Senior Bonds”) by revenues from the Project and rent payments, if any, by the City under a Lease Agreement, dated as of August 1, 2003 (the “Lease”) by and between RHAP and the City pursuant to which the City is obligated to pay, subject to the limitations on the City’s obligations set forth in the Lease, rent if the revenues of the Project are insufficient to pay debt service on the Senior Bonds and the Prior Bonds and to maintain required reserve funds; and

WHEREAS, the revenues of the Project have fallen below projections that were made at the time of issuance of the Prior Bonds and the City has been required to make payments under the Lease; and

WHEREAS, City staff has determined that it is necessary and desirable to refund the Prior Bonds through the issuance by the Authority of Bonds to pay the Prior Bonds (the “Bonds”) in a manner which would make it substantially less likely that the City would continue to be required to make payments under the Lease; and

WHEREAS, the Bonds are to be secured by an irrevocable letter of credit (the “Letter of Credit”) issued by Union Bank of California, N.A. (“UBOC”) and, to induce UBOC to issue the Letter of Credit, the City has been asked to deliver a letter of representations and warranties to UBOC (the “UBOC Letter”); and

WHEREAS, pursuant to Section 6586.5 of the Government Code, a notice of public hearing was duly published by the City as required by law in the West County Times, a newspaper of general circulation in the City of Richmond and in the County of Contra Costa, to consider the proposed refinancing by the issuance by the Authority of the Bonds, and whether there are any significant benefits to the City from such proposed refinancing, including the more efficient delivery of local services and demonstrable savings to the City such as savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs (in accordance with Section 6586 of the California Government Code). A proof of publication of the notice of public hearing is on file in the office of the City Clerk; and

WHEREAS, such public hearing was duly convened by the City Council on November 21, 2006 at the time and place as set forth in the notice of public hearing, and at such public hearing the City Council heard all interested persons desiring to be heard; and

WHEREAS, to accomplish the issuance of the Bonds by the Authority, it is necessary to amend certain documents that were entered into by the City in connection with the issuance of the Prior Bonds and for the City to execute and deliver certain other documents; and

WHEREAS, in furtherance of implementing the financing, there have been filed

with the City Clerk for consideration and approval by this City Council forms of the following documents:

- (a) a First Amendment to Assignment and Collateral Agreement;
- (b) a First Amendment to Lease Agreement;
- (c) a First Amendment to Sublease Agreement;
- (d) a preliminary Official Statement; and
- (e) the UBOC Letter; and

WHEREAS, being fully advised in the matter of the financing, this Board wishes to proceed with implementation of said financing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RICHMOND HEREBY RESOLVES, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and this Council hereby so finds and determines.

Section 2. The First Amendment to Assignment and Collateral Agreement is hereby approved. The Mayor, the City Manager or the Director of Finance (each, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the First Amendment to Assignment and Collateral Agreement in substantially the form on file with the City Clerk, with such changes, additions, amendments or modifications which are approved by the Mayor in the interest of the City, such approval to be conclusively evidenced by said execution and delivery.

Section 3. The First Amendment to Lease Agreement is hereby approved. Any Authorized Officer is hereby authorized and directed to execute and deliver the First Amendment to Lease Agreement in substantially the form on file with the City Clerk, with such changes, additions, amendments or modifications which are approved by such Authorized Officer in the interest of the City, such approval to be conclusively evidenced by said execution and delivery.

Section 4. The First Amendment to Sublease Agreement is hereby approved. Any Authorized Officer is hereby authorized and directed to execute and deliver the First Amendment to Sublease Agreement in substantially the form on file with the City Clerk, with such changes, additions, amendments or modifications which are approved by such Authorized Officer in the interest of the City, such approval to be conclusively evidenced by said execution and delivery.

Section 5. (a) The form and substance of the preliminary Official Statement is hereby approved. Any Authorized Officer is authorized to execute the final Official Statement to be derived therefrom.

(b) Any Authorized Officer is authorized to find and determine that said preliminary Official Statement in preliminary form is, and as of its date shall be deemed “final”

for purpose of Rule 15c(2)-12 of the Securities and Exchange Commission, and any Authorized Officer is hereby authorized to execute a certificate to such effect in the customary form.

(c) Any Authorized Officer is authorized to approve corrections and additions to the preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by such officer as necessary to cause the information contained therein to conform to facts material to the Bonds or to the proceedings of this City Council or that such corrections or additions are in form rather than in substance.

(d) M.L. Stern & Co., LLC, as underwriter of the Bonds (the “Underwriter”) is authorized to distribute said preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and distribution of the Bonds.

Section 6. The UBOC Letter is hereby approved. Any Authorized Officer is hereby authorized and directed to execute and deliver the UBOC Letter in substantially the form on file with the City Clerk, with such changes, additions, amendments or modifications which are approved by such Authorized Officer in the interest of the City, such approval to be conclusively evidenced by said execution and delivery.

Section 7. The Mayor, City Manager, Director of Finance, City Attorney, Clerk and any and all other officers, agents and employees of the City are hereby authorized and directed to take any and all actions and execute and deliver any and all documents necessary or convenient to assist the Authority with respect to the issuance of the Bonds and to accomplish the purposes of this Resolution including, but not limited to, the execution and delivery of a continuing disclosure certificate or agreement with respect to the Bonds.

Section 8. This resolution shall take effect immediately upon its passage.

I hereby certify that the foregoing resolution of the City Council of the City of Richmond duly passed and adopted at a meeting thereof held on November 21, 2006 by the following vote:

AYES:	Councilmembers Bates, Griffin, Marquez, McLaughlin, Rogers, Thurmond, Viramontes, and Mayor Anderson
NOES:	None
ABSTENTIONS:	None
ABSENT:	Councilmember Butt

DIANE HOLMES
Clerk of the City of Richmond

(SEAL)

APPROVED:

IRMA L. ANDERSON
Mayor

APPROVED AS TO FORM:

JOHN EASTMAN
City Attorney

State of California	}
County of Contra Costa	: ss.
City of Richmond	}

I certify that the foregoing is a true copy of Resolution No. 126-06, finally passed and adopted by the Council of the City of Richmond at a meeting held on November 21, 2006.